

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:

Joint Petition for Waiver of Sections
64.1100 --64.1190 of the Commission's

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File No. CC-94-129

**AMENDED JOINT PETITION FOR WAIVER OF SECTIONS 64.1100 – 64.1190 OF THE
COMMISSION'S RULES FILED BY CITIZENS TELECOMMUNICATIONS COMPANY
AND ALLIANCE GROUP SERVICES, INC.**

Citizens Telecommunications Company ("CTC") and Alliance Group Services, Inc. ("Alliance"), pursuant to Section 1.3 of the Commission's Rules, hereby request a waiver of Sections 64.1100 – 64.1190 of the Commission's Rules, and show as follows:

I. The Rules That Are The Subject Of the Citizens LECs' Request For Emergency Waiver

Sections 64.1100 – 64.1190 of the Commission's Rules¹ govern the authorization and verification procedures for customer selection of long distance carriers. Because of the circumstances in the CTC-Alliance transaction, which are discussed more fully below, the parties are requesting waiver of those rules.

¹ 47 C.F.R. §§ 64.1100 – 64.1190.

II. Grounds For Waiver Request

Several years ago, CTC, the interexchange carrier subsidiary of Citizens Utilities Company, embarked upon a major expansion of its long distance services beyond the central serving areas (“CSAs”) of its affiliated Incumbent Local Exchange Carriers (the “Citizens ILECs”). However, diseconomies of scale and operational problems have since dictated a retrenchment of the geographic scope of that service and concentration upon serving areas that the company can serve best – the CSAs of the Citizens’ ILECs.

CTC and Alliance have entered into an agreement, subject to regulatory approval, for the transfer of CTC’s “out-of-CSA” business customer base to Alliance. Rather than simply terminating service after provision of notice to the affected customers, CTC contracted with Alliance to continue service after CTC withdraws from the affected areas. CTC believes that many customers, after receiving notice, might not take affirmative action to switch to a new carrier, leaving them with no long distance carrier on the date that CTC terminates service.

CTC and Alliance sent each affected customer a copy of the letter attached as Exhibit 1 hereto. The letter advises the customers of the pending transfer to Alliance, the benefits of staying with Alliance after all regulatory approvals are obtained and CTC’s service terminates, and the fact that the customer may elect to choose a new long distance carrier at any time if it does not want to use Alliance. To ensure that customers fully understand what is occurring, CTC and Alliance will also send to each affected customer a copy of the letter attached as Exhibit 2 hereto following approval of the letter by the Commission. Furthermore, Alliance will send a notice letter to the affected customers upon receipt of regulatory approvals and transfer of the customers from Citizens to Alliance. A copy is attached hereto as Exhibit 3.

Beginning on May 14, 1999 and continuing until receipt of the necessary regulatory approvals and the actual transfer, Alliance will act as CTC's underlying carrier in serving these customers. Further, it will act as CTC's agent in customer service and billing. Finally, Citizens will amend its tariffs to provide these customers with rate levels and service plans equal to those of Alliance. Alliance's rates are lower than CTC's rates, and Alliance is in a better operational position to meet the needs and requirements of the customer base.

After the transfer, Alliance will take responsibility to investigate, respond to, and attempt to cure any complaints of former Citizens customers that are processed after the sale. Additionally, Alliance will pay any charges assessed by local exchange carriers for changing the affected customers' presubscribed interexchange carriers.

III. Argument

The law governing the Commission's grant of rule waivers is well established. The Commission may exercise its discretion to waive a rule of general application where the particular facts make strict compliance with the rule inconsistent with the public interest. A party requesting a waiver must show that the underlying purpose of the rule would not be served or would be frustrated by strict application in its particular circumstances, or, because of unique or unusual factual circumstances, application of the rule would be inequitable, unduly burdensome or contrary to the public interest, or that the applicant has no reasonable alternative. Waiver of a Commission rule is appropriate if special circumstances warrant deviation, and that deviation will better serve the public interest than adherence to the general rule.²

² WAIT Radio v. FCC, 418 F. 2d 1153, 1157-1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); Northeast Cellular Telephone Co. v. FCC, 897 F. 2d 1164, 1166 (D.C. Cir. 1990).

In the CTC-Alliance transaction, the affected customers have already been notified of what is happening and have been advised of their rights. The carrier that affected customers may decide to stay with – Alliance – is better able to meet their needs, at lower rates, than is CTC. Finally, CTC would prefer to avoid the alternative of simply notifying customers to go elsewhere or lose long distance service. CTC and Alliance believe that the method of transferring customers delineated in this petition meets all of the policy goals of the Commission's carrier change notification and verification requirements with maximum public notice and minimum public burden.

IV. Conclusion

For the reasons set forth herein, CTC and Alliance submit that good and sufficient cause exists for waiver of the Commission's carrier change notification and verification requirements. Strict enforcement of those requirements is, under the circumstances, burdensome and unnecessary and would not, in any event, be more efficacious than what is proposed in this Joint Petition. Accordingly, the parties request that this Joint Petition be granted.

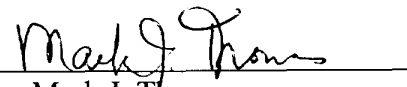
Respectfully submitted,

CITIZENS TELECOMMUNICATIONS
COMPANY

By: 
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Suite 500, 1400 16th St., N.W.
Washington, D.C. 20036
(202) 332-5922

ALLIANCE GROUP SERVICES,
INC.

By: 
Mark J. Thomas
President and COO

1221 Post Road, East
Westport, CT 06880

June 18, 1999

EXHIBIT 1



May 7, 1999

Dear Citizens Long Distance Customer:

We have exciting news to report! Citizens Communications has entered an agreement with Alliance Group Services, Inc., to offer you improved Long Distance service. Over the next few months you'll notice some positive changes as a result of this agreement including:

- Platinum Service – Knowledgeable customer service representatives will be able to quickly identify and resolve any network or billing issues.
- Reduced rates* – Put your savings back into your business' growth!
- A new bill – The new bill format will be easy-to-read and understand and will indicate that payments will be remitted to Alliance Group Services, Inc.
- Clear, dependable connections via the Alliance Enhanced Network.
- New services – Beginning soon you will be introduced to new plans and products that match your company's communications needs.
- Calling Card – We are enclosing a sticker for you to attach to your Citizens calling card. It has new easy-to-use instructions along with a new customer service number. Your calling card number has stayed the same. These new dialing instructions will be effective as of May 23, 1999.

Our agreement with Alliance has allowed us to move you to an enhanced network. This will result in a message appearing on your local phone bill that your Primary Interexchange Carrier has changed. You will also notice the clear reliable service. This change will be transparent to you, with no interruption in your services! Another enhancement includes a new bill and customer service phone numbers which will be sent to you at the end of June. Please take some time to carefully review your first new bill when it arrives.

You will automatically be switched to Platinum Service after May 14, 1999. While we are confident you will appreciate the exciting benefits of our new Platinum Service you do, of course, have the right to switch your long distance carrier at any time. If you decide to do so after May 14, you must notify Citizens or you will be switched back to Citizens Long Distance service. This action is necessary so that your upgrade to Platinum Service does not interfere if you decide to switch to a new carrier.

Pending regulatory approval, Alliance will be taking over your account. In the meantime, if you have any questions about becoming a Platinum customer, please speak with a Citizens Communications customer service representative at (800) 726-3539.

Sincerely,

L. Todd Wells
Vice President of Strategy and Planning
Citizens Communications

Mark J. Thomas
President / COO
Alliance Group Services, Inc.

* The vast majority of customers rates will decrease, individual impact may vary.

EXHIBIT 2

June xx, 1999

Dear Citizens Long Distance Customer:

On May 7, 1999, Citizens Communications and Alliance Group Services, Inc. sent you a letter notifying you of an agreement whereby Citizens would begin using the Alliance network to provide you with improved long distance service at lower rates under the Platinum Service plan, and that Alliance would eventually be taking over your account. The agreement provides for Citizens to resell Alliance's services until Citizens and Alliance receive the necessary regulatory approvals for Citizens to transfer to Alliance those accounts located outside of the areas in which Citizens also provides local telephone service. Upon completion of this sale, Alliance will replace Citizens as your long distance carrier.

Citizens and Alliance are pleased to report that the initial phase is nearing completion and the change to the Alliance network is progressing as scheduled. You should notice a statement on your first telephone bill after May 28, 1999 informing you that your presubscribed interexchange carrier has changed. This notice is an indication that you are now on the Alliance network and will be receiving Citizens' Platinum Service.

Citizens and Alliance are now proceeding to the final phase. Upon receipt of all federal and state regulatory approvals, your account will be transferred from Citizens to Alliance, and Alliance will become your new long distance carrier. Following the transfer to Alliance, you will continue to receive the same service and rates that you currently receive from Citizens' Platinum Service. You will be notified when this transfer occurs.

You have a right to select the long distance carrier of your choice. Accordingly, you may choose another long distance carrier at any time. We hope you choose to stay with your current Platinum Service. No steps need to be taken by you. The transfer to Alliance will be automatic and you will continue to receive the benefits of Platinum Service.

If you have any questions, please speak with a Citizens Communications customer service representative at (800) 510-7774.

Sincerely,

L. Todd Wells
Vice President of Strategy and Planning
Citizens Communications

Mark J. Thomas
President / COO
Alliance Group Services, Inc.

EXHIBIT 3



Alliance Group Services Inc.
1221 Post Road East
Westport, CT 06880

Welcome

[Date]

Dear Alliance Platinum Customer:

We would like to take this opportunity to thank you for choosing Alliance Group Services, Inc. as your long distance carrier.

We are excited to be able to provide you:

- Competitive rates.
- Easy to read bill format.
- Reliable long distance service, utilizing America's premier long distance network.
- Calling Card and Toll free services
- Platinum Service-Knowledgeable customer service representatives will be able to quickly identify and resolve any network or billing issues. Our toll free number is 800-510-7774

Our philosophy is to give the highest quality of service to our customers. Leaving you with the additional savings of **time** as well as money.

Mark J. Thomas
President/COO